

**Medi-Cal Program Guide (MPG) Special Notice 06-16,
Addendum A
Food Stamps Program Guide (FSPG) Special Notice 06-24,
Addendum A**

December 15, 2006

Subject	2007 SOCIAL SECURITY COST OF LIVING ADJUSTMENT (COLA), MEDICARE CATASTROPHIC COVERAGE ACT SPOUSAL IMPOVERISHMENT CAPS, INCREASE IN SUBSTANTIAL GAINFUL ACTIVITY (SGA), AND THE PARENT ALLOCATIONS FOR THE QUALIFIED MEDICARE BENEFICIARY/SPECIFIED LOW-INCOME MEDICARE BENEFICIARY/QUALIFYING INDIVIDUALS AND OTHER PROGRAMS
Effective Date	January 1, 2007
Expiration Date	December 31, 2007
Reference	ACWDLs 06-29, 06-30, 06-34, and 06-35
Purpose	<p>The purpose of this Addendum to Special Notice (SN) 06-16 is to provide further instructions on the:</p> <ul style="list-style-type: none">• actions to be taken on the Notices of Action identified in MPG SN 06-16 generated by the SSA COLA,• treatment of 1931(b) cases negatively affected by the SSA COLA,• necessary actions for the cases which were excepted out of the Auto-Authorize process, and• necessary actions for Qualified Medicare Beneficiary (QMB)/Specified Low-Income Medicare Beneficiary (SLMB), Aged & Disabled Federal Poverty Level (A&D FPL), and 250% Working Disabled (WD) cases affected by the COLA.

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**Notices of
Action**

The SSA COLA run produced Notices of Action (NOAs). Many will be mailed automatically and require no additional action by the worker. Others indicating that an adverse action occurred on the affected case have been set to stay in Online status. A list is attached which identifies the NOAs that were placed in Online status. The first priority on this list is those cases which are negatively affected, and the action is correct as these NOAs need to go out by NOA deadline. The table below shows the actions that the worker must take on these NOAs.

If the NOA is...	Then the worker must...
Correct,	Set the status to either "Immediate" or "Batch."
Inappropriate,	Delete the NOA.
Incorrect,	Make corrections by using the "Manual Variables" button and entering the correct information.

1931(b) Cases CalWIN did not exempt the SSA COLA for the 1931(b) program. A list is attached which identifies 1931(b) cases which were negatively impacted by the SSA COLA. Workers must review their 1931(b) cases on the attached list. These cases must have action taken so that the SSA COLA does not cause them to lose 1931(b) eligibility. For these cases, the worker must change the amount of the SSA income to the amount before the COLA. If the family is also receiving Food Stamps, then the worker must notify the Food Stamp worker that the SSA Income is being reduced. See the Food Stamps Impact statement, below, for necessary action on Food Stamps cases.

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Exception List Workers must review each case on the Exception List attached to the electronic version of this SN as these cases did not convert successfully during the SSA COLA process. The worker must determine if an error exists, resolve it, run EDBC, and authorize the results. **HOS Please Note:** The HOS cases are listed on the Kearny Mesa tab.

The COLA ran on all CalWORKs, Food Stamps, Medi-Cal, GR, and CAPI cases with SSA/Veterans' Benefits and on all Medi-Cal programs based on Federal Poverty Levels.

There may be some cases on the list without SSA income. Pending cases, cases with errors or problems, or discrepant cases did not go through the batch authorization (did not authorize). These are the cases appearing on the list.

Most cases had the SSA amount updated effective January 2007, but some of them must be updated by the worker by running EDBC and authorizing. Pay special attention to the EDBC errors (error encountered in EDBC process).

The table below shows actions to be taken on the list.

Also, some of the cases may be QMB/SLMB, A&D FPL, or 250% WD cases, which should not have the COLA counted. The worker does not have to take action immediately on these cases as the last authorized benefits will continue to be issued.

Error Type	Action
EDBC Error	Worker must run EDBC to find the error, correct the error, run EDBC again, and authorize the results, if correct.
Pre Authorization Exception	Worker must review these cases and authorize if the results are correct.

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**QMB/SLMB/
QI, A&D FPL,
and 250% WD**

Medi-Cal Program and Automation are aware that there is a problem with the QMB/SLMB/QI, A&D FPL, and 250% WD cases. There was an error in the programming of the system which did not prevent the SSA COLA from being counted in these cases. This is a correction to MPG SN 06-16. These cases are to be the first priority over all other is in this SN. This is due to the problems that would be created in the individual's Medicare Buy-In should these cases be allowed to close. Workers must reduce the amount of the SSA income that is being counted in the case to the amount that was counted before the COLA. See the table below for those instances in which the individual has either Food Stamps or eligibility to another Medi-Cal program.

If the individual has eligibility in...	Then...
Another Medi-Cal program,	The amount of the increase will not be counted in the other Medi-Cal program. The individual may end up with a lower SOC than they should have. This is to be considered an Administrative Error and would not be referred for a recoupment. Any difference in the SOC is below the tolerance level for Medi-Cal and thus would not cause an error in a Quality Assurance review.
The Food Stamps program,	The amount of the increase will not be counted in the Food Stamps case. The Medi-Cal worker should notify the Food Stamps worker that they have reduced the amount of the SSA income. Please see the Food Stamps Impact statement, below.

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Food Stamps Impact	Medi-Cal workers will reverse the SSA COLA increase of January 2007 to the current December 2006 amount on all 1931(b), QMB, SLMB, QI, A&D FPL, and 250% WD cases losing eligibility. Associated food stamp cases with SSA income will be affected by this change as the SSA amount will reverse back to the current 2006 levels. This will cause overissuances on some food stamp cases from January through March 2007. In April 2007, Medi-Cal workers will implement the COLA increase when the Federal Government issues the 2007 Federal Poverty Levels standards. This will update the SSA amounts to the correct levels on all affected food stamp cases.
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Additional instructions regarding these food stamp overissuances will be issued shortly.

Automation Impact	As stated in this Addendum.
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Forms Impact	None.
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Quality Assurance Impact	Effective with the January 2007 review month, Quality Assurance will cite with the appropriate error any case that does not follow the requirements of this Special Notice.
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Program Guide Update	The Medi-Cal Program Guide will be updated when the remainder of the changes that normally occur in January are received.
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Manager Approval	ORIGINAL SIGNED BY: DANN CRAWFORD , Assistant Deputy Director Medi-Cal, General Relief and CAPI Program Administration Strategic Planning and Operational Support Division
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